

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:  
THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,  
  
as representative of  
  
THE COMMONWEALTH OF PUERTO RICO, *et al.*,  
  
Debtors.<sup>1</sup>

PROMESA  
Title III  
  
No. 17 BK 3283-LTS  
  
(Jointly Administered)

**REPLY OF PUERTO RICO SALES TAX FINANCING  
CORPORATION TO RESPONSE FILED BY CLAIMANT  
FRANCISCO TORO DE OSUNA TO SEVENTH OMNIBUS OBJECTION  
(NON-SUBSTANTIVE) TO CLAIMS ASSERTED AGAINST THE INCORRECT  
DEBTOR**

---

The Puerto Rico Sales Tax Financing Corporation (“COFINA”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as COFINA’s representative pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> files this reply (the “Reply”) to the letter [ECF No. 4490] (the “Response”), written and filed by claimant Francisco Toro de Osuna (the “Claimant”), in response to the *Puerto Rico Sales Tax Financing Corporation’s Seventh Omnibus Objection (Non-Substantive) to Claims Asserted Against the Incorrect Debtor* [ECF No. 4411] (the “Seventh Omnibus Objection”). In support of this Reply, COFINA respectfully represents as follows:

---

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

1. On December 4, 2018, COFINA filed the Seventh Omnibus Objection, seeking to disallow in their entirety twenty-seven (27) proofs of claim erroneously filed against COFINA (the “Incorrect Debtor Claims”), as listed on Exhibit A thereto. As set forth in the Seventh Omnibus Objection, in each of the Incorrect Debtor Claims, each claimant asserted liabilities associated with bond(s) and/or money loaned, but provided no valid legal justification for asserting a claim against COFINA. Pursuant to the Court-approved order, any party who disputed the Seventh Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on February 1, 2019.

2. On December 18, 2018, the Claimant filed the Response to the objection to Claimant’s proof of claim filed against COFINA on March 7, 2018, and logged by Prime Clerk as Proof of Claim No. 2112 (the “Claim”). See Seventh Omnibus Objection, Exhibit A, Line 4. The Response included documentation of a UBS account in which Claimant purports to hold bonds issued by COFINA bearing CUSIP number 74529JGP4. Response, Exhibit 2.

3. That CUSIP number is listed on a Master Proof of Claim filed by the Bank of New York Mellon on behalf of holders of COFINA bonds in COFINA’s Title III case, logged by Prime Clerk as Proof of Claim No. 31920 (subordinate bonds), as a Series 2009B bond. Therefore, Claimant’s assertion of liability associated with a prepetition subordinate bond issued by COFINA bearing the CUSIP number reflected in Claimant’s account statement is duplicative of a Master Proof of Claim.

4. As the Court is well aware, the *Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* (the “Plan”) [ECF No. 4652] was confirmed by the Court on February 4, 2019. See *Order and Judgment Confirming the Third Amended Title III*

*Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 5048]. On February 5, 2019, the Court issued an *Amended Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of Puerto Rico Sales Tax Financing Corporation* [ECF No. 5055] (the “Amended Order”). The Plan became effective on February 12, 2019, when the conditions set forth in Section 25.1 of the Plan were satisfied. *See* Amended Order at 20. Distributions have been made to holders of Bond Claims pursuant to Article XIX of the Plan.<sup>3</sup> Consequently, each of the claimants, to the extent they are holders of a Bond claim and are listed on the records of the Depository Trust Company, have received distributions on account of their claims against COFINA. Allowing Claimant’s duplicate Bond Claim will result in Claimant potentially receiving an unwarranted double recovery against COFINA, to the detriment of other stakeholders in COFINA’s Title III case. Claimant will not be prejudiced by the disallowance of his claim because the liabilities associated with his claim are subsumed within the Master Proofs of Claim.

5. Accordingly, COFINA respectfully requests that the Court issue an order disallowing the Claim, and grant the Seventh Omnibus Objection as to the Incorrect Debtor Claims.

Dated: March 6, 2019  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer  
Hermann D. Bauer  
USDC No. 215205  
Daniel J. Perez Refojos  
USDC No. 303909  
**O’NEILL & BORGES LLC**  
250 Muñoz Rivera Ave., Suite 800  
San Juan, PR 00918-1813

---

<sup>3</sup> Section 1.44 of the Plan defines a “Bond Claim” as a “Claim on account of a ‘Senior’ or ‘First Subordinate’ Existing Security issued by COFINA . . . .” *See* Plan at 6.

Tel: (787) 764-8181  
Fax: (787) 753-8944

*Attorneys for the Financial Oversight and  
Management Board as representative for  
COFINA*

/s/ Martin J. Bienenstock

Martin J. Bienenstock (*pro hac vice*)

Brian S. Rosen (*pro hac vice*)

Jeffrey W. Levitan (*pro hac vice*)

Chris Theodoridis (*pro hac vice*)

**PROSKAUER ROSE LLP**

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

*Co-Attorneys for the Financial Oversight  
and Management Board as representative  
for COFINA*

**CERTIFICATE OF SERVICE**

I hereby certify that on March 6, 2019, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification to all counsel of record, and all CM/ECF participants in the case.

/s/ Hermann D. Bauer  
Hermann D. Bauer